

Finance Policy

Introduction

This is the Financial Policy Document for the Newmarket Operatic Musical and Dramatic Society Ltd (Nomads). This policy is divided into the following sections: Expenditure, Income, Planning and Reporting, each with their own list of instructions and the relevant forms.

Failure to comply with any of the procedures within this policy could result in expulsion from the society. For Members of the Board this could have more serious consequences and mean expulsion from the Board of Directors which may have to be reported to Companies House and the Charities Commission.

Purpose

The purpose of the Finance Policy is to lay down guidelines and rules for all members to follow to ensure compliance with any current legislation and ensure the smooth running of the company accounts. All procedures within the policy should be followed and enable the Trustees (Board Members) to provide accurate figures/reports with a thorough audit trail. The Annual Accounts can be viewed at any time upon request by any of the membership. This also ensures an element of risk management. Procedures and budgets are followed to ensure the longevity of the limited company, charity, and society.

Policy

Nomads will always operate with a social responsibility that includes our values and ethics on sustainability, citizenship, diversity, human rights, globalisation and takes a responsible approach to its business practices. For Nomads it is about how our business takes account its economic, social, and environmental impacts in our supply chain and the way we operate financially.

One of the core values Nomads upholds is responsible and fair business practices. It is committed to promoting and maintaining the highest level of ethical standards in relation to all its business activities. Its reputation for maintaining lawful business practices is of paramount importance and we strive to preserve these values. Nomads therefore has a zero-tolerance policy towards bribery and corruption and is committed to acting fairly and with integrity in all its business dealings and commercial relationships.

We will apply strong ethical standards to all our dealings with its members, customers, and suppliers. We shall operate in a way that safeguards against unfair business practices. Conflicts of interest must be avoided. Everyone with whom we have a business relationship with will be treated in a fair, open honest and respectful manner. Feedback on our performance will be actively sought and we will continually review all activities to ensure best practice is always observed. As a matter of policy, we do not make political donations.

Procedures - Expenditure

Before any goods are purchased or obtained the relevant member of the Board must give approval and this stems from the Treasurer and the Finance Committee who agree the annual budgets which are ratified the Board. This may be in the form of verbal approval providing it is within the agreed budgets and the person's job description. The theatre's supplier accounts must only be used for theatre purchases and not for other societies, companies, or personal use. No member should benefit from the re-sale of Nomads goods.

When purchasing any goods or services for Nomads, supporting documentation must be obtained and given to the person authorising the purchase, this may be in the form of a delivery note, email confirmation of order, receipt or a contract for services provided. Suppliers must be asked to invoice Nomads for payment for their goods/services. Invoices must include name of the company; company address and any VAT/Company Registration Numbers if applicable. They must be dated. No payments will be made until a receipt (proof of purchase) or invoice is produced.

Cash payments (expenses) for items purchased on behalf of the theatre can be re-claimed from the Treasurer using an expense claim form. This must be approved by the Treasurer. Any claims will be paid by BACs, but should this option not be possible, a cheque will be provided. Prior approval must be sought for any expenses from the relevant job holder first and receipts must be produced otherwise re-payment of goods cannot be guaranteed.

Members (including Board Members) can claim mileage of 30p per mile if they are required to make a journey for Nomads business other than to or from the theatre building. These can be re-claimed by using the mileage claim form. This must be approved by the Treasurer or in their absence the Chairman or Company Secretary.

Production Directors may agree a one-off expense payment which may include mileage costs as part of their show budget. This would be covered via a separate invoice when show budgets are set, NB there are show budget template forms which the Treasurer will require Production Directors to fill in.

All regularly paid suppliers must provide their services in line with the terms and conditions of a contract. All contracts must be approved by the Board and signed by the Treasurer or Chairman or Company Secretary. Regular suppliers will be paid by BACs only upon receipt of an invoice. Goods should be purchased wherever possible from regular suppliers whose costs can be market tested to ensure fair pricing, Nomads also like to be diverse and ensure contracts are reviewed regularly giving other suppliers the opportunity to bid for Nomads business.

The Health and Safety Officer needs to be made aware of new products where relevant for their files and these suppliers' details will be kept on file.

All official Nomads paperwork such as letter heads and invoices must list the company name which is 'Nomads Ltd' along with the address and list our Charity Registration Number 1120041 along with the Company Registration Number 05980172. The Company Secretary holds all original documents.

As Nomads is a charity no members can be paid for their duties however the Charities Commission does allow for members to be paid when they are providing either a regular service i.e., cleaning or a professional service by a trained and qualified professional i.e., an accountant/teacher. Agreed rates are specified by the Board and anyone getting paid for a service will be provided with a contract. Any paid works will only be paid if the terms of the contract have been met and upon receipt of an invoice.

Nomads will not pay for gifts bought for anyone who has completed any task for Nomads on a day-to-day basis although gifts may be purchased as a one off by the Board i.e., long serving members who leave the society. If gifts are necessary, then other funds must be used i.e., cast members do a collection after each show to thank backstage crew etc.

No credit is to be extended to any members at any time for any of the items on sale at the theatre. This also includes discounts which do not apply to any members. However, it is acknowledged that many members give their time voluntarily to the society and free tea/coffee is also available during the actual production, members are expected to make a donation of 20p per cup for tea/coffee during rehearsals.

All other equipment in the theatre should only be used for theatre purposes unless agreed otherwise by the Board or hired out formally and charged accordingly.

All major projects and work over £500 should be agreed by the Board either via the annual budgets or as extra unforeseen costs. All work over £1,000 should have three written quotations which needs to be seen by the Treasurer and the relevant Board Director and in some cases the Finance Committee.

Invoices received from suppliers must go to the Treasurer who will register them onto the Sage Accounting System. The Treasurer may then pass the invoice to be checked by the member purchasing the goods/services to ensure goods have been received and/or code to a relevant show or area of expenditure. Invoices must be sent to the Treasurer for final approval who will ensure the invoice is paid within the relevant timescales. Suppliers need to be aware our payment terms are 30 days from receipt of invoice unless discounts can be supplied for faster payments. Expense and mileage claims from members are usually paid with 14 days from receipt of the claim and invoices relating to services of shows i.e., choreographer/MD etc. are paid by the last night of the show. The Board must approve any changes to our payment terms.

The Treasurer is responsible for providing annual budgets for the relevant job holder to work within, these are discussed via the Finance Committee who present to the Board for ratification. The Board approves the final budgets on an annual basis. It is imperative that the relevant job holder and/or Board member ensure that budgets are adhered to. If situations arise whereby this is not possible the job holder must report to the Treasurer immediately. This will enable the Treasurer and the Board to provide a suitable solution in a timely manner and manage the cash flow.

Unless caused by unforeseen circumstances or a real business need, consistent failure by any members to comply with budgets could mean the loss of revenue and will result in the Board reviewing the position held by that person.

Procedures - Income

Theatre hire will be booked via the Company Secretary who will check availability with the Board and ensure an invoice is issued. Theatre hire rates are available upon request. All Theatre hire rates, ticket prices, front of house prices etc. are reviewed by the Finance Committee and agreed annually by the Board.

The theatre will not be hired out until Box Office Manager, Front of House Manager, Bar Manager and Technical Director can confirm staffing is available and has confirmed the current Production Director is not affected. NB Young Nomads must also confirm they do not need the theatre if a Friday night booking is required and access is not allowed until after 12 noon on a Saturday if Kings Kids is taking place.

Cheques should be written out by the Treasurer and be signed by any one of the three company signatories; these are the Treasurer, Chairman and Company Secretary. The 100 Club Administrator is also a signatory for the 100 Club bank account only. All cheques must be signed by 2 signatories otherwise the Bank will not make payment.

The Treasurer is the primary user for our business accounts with full access rights on the internet banking system. Access is also given to the signatories. The Treasurer must ensure that the Membership Secretary and 100 Club Administrator have view only access, so they have access to the accounts they have to regularly review.

The preview night will remain free of charge to senior citizens for the foreseeable future. This list is reviewed annually and can be means tested. The Box Office Manager is to advise the Board on the process for fair distribution of tickets. All other tickets will not be distributed until payment has been received.

Under current legislation alcohol can only be sold when a trained member of bar staff (authorised by the Licensee) are on the premises.

The theatre tills must always be managed efficiently. Only authorised personnel are to operate tills and full training must be given before anyone uses a till and credit card machines. The correct coding must be used when imputing amounts onto the till. The tills must only have a float of £100 and no more. Floats of 3 x £1s & 4 x 50ps are provided for souvenir sellers and programme sellers. Floats of 5 x £1s are provided for coffee sellers, ice cream sellers, and raffle sellers. These are set at £5 each for every show. There is also a float for Kings Kids/Kiddies of £5 in £1 coins. All floats should be locked away either in a lockable tin, in the safe or in the till. There is also a float for change in the safe totalling £50 - £25 in £5 notes, £10 in £2 coins, £10 in £1 coins and £5 in 50p coins.

The till should have a Z reading at the end of each show week which the Box Office Manager and Bar Manager must organise. Outside of a production week a Z reading should be done as part of the cashing up procedure. If the cashing up and filling in of the banking form cannot be completed due to time constraints, the amounts must be recorded via a Z reading from the till and this needs to be placed in an envelope with the money from the till and locked in the safe until it can be checked and counted later.

Any discrepancies must be reported to the Treasurer. The Treasurer is responsible for making sure this process is followed. Instructions on how each till operates can be provided.

As the till may have monies from Nomads productions, the nominated person must be one of the safe key holders as they will be fully trained on the banking procedures. Safe key holders are the Bar Manager, Box Office Manager, Chairman, and the Treasurer.

Banking monies will be deposited at least once a month, banking must be completed the week after the end of a show or an outside booking.

The Membership Secretary is to ensure that all members pay their membership fees on time in line with the recorded timescales listed in our Articles of Association. Payments must be banked, and records sent to the Treasurer in a timely manner. Discounts are not allowed however Bursaries are available for some youth events/membership which can only be given within the agreed principles listed in the Bursary Application Form which is approved by the Board. Any changes to subscriptions must be proposed and approved by the members at an AGM.

Any income for the re-sale or hire of theatre goods/equipment must be documented in the form of an invoice. The Treasurer is responsible for producing the invoice once they receive the details from the relevant job holder.

All invoices must use the standard invoice template and must be dated and numbered in line with the Treasurer's numbering system. Invoices are to be raised by the Treasurer only. Nomads' payment terms are 30 days. Any failure of an outside party to pay promptly may mean they become exempt as a Nomads customer and can no longer receive goods/services from us. The Accountants will list them as a bad debtor, and these must be reported to members at the AGM.

The Treasurer is responsible for ensuring the Company does not exceed any tax thresholds and if so, advises the Board accordingly and ensures the Company Secretary fills in any relevant forms and registers with the appropriate agencies (Companies House, HMRC, Charities Commission) accordingly and on time.

The Treasurer is to provide the relevant reports for year-end accounts to the Accountants who in turn ensure they reach Companies House at the given time. The Company Secretary is to ensure this process is followed on time once a year at the required date along with all reports required by the Charities Commission.

Planning

The Treasurer is responsible for producing annual operational budgets by end of March for Board approval.

All production marketing costs are to be covered by costs received from the current production, i.e., advertising, posters etc. The Marketing Director is responsible for this in line with their marketing plan (which should be approved by the Board).

The Treasurer and Technical Director are responsible for providing annual budget templates for each type of production which are reviewed regularly by the Finance Committee and submitted to the Board for approval. The budgets will be based on the years' programme from the Artistic Forum which the Board must approve.

The Treasurer and Youth Director are responsible for providing annual budget templates for each type of summer school or workshop which are reviewed regularly by the Finance Committee and submitted to the Board for approval. These budgets include rates of pay for those running these events.

Reporting

The Treasurer will provide the 'cash at bank figures' to the Board at each Board meeting and discuss any issues with budgets with the Board at Board meetings. The Treasurer is responsible for providing the yearly financial report at the AGM which the Board must ratify ready to be presented to the members for approval at the AGM. Once members have voted to accept the accounts, they can be filed at Companies House.

The Board is responsible for providing a business strategy for the business for future years which may be presented at the AGM.

The Treasurer will report income/expenditure of each production including workshops and outside bookings/events to the Board members regularly. This will include the FOH and Bar sales for each production. The final annual review is provided to members at the AGM.

The book-keeping system used by Nomads is Sage and can only be used by the Treasurer and/or agreed personnel, this will be reviewed regularly. The Treasurer is responsible for making sure the system has the relevant updates and provides the function it was purchased for.

Chairman;

Date; 01/08/2022

